(b) if so, in what way Government propose to protect their interest while privatising Public Sector Undertakings?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) The Ministry of Disinvestment incorporates the following in the recital of the Shareholders Agreement signed at the time of disinvestment with the Strategic Partner (SP) to safeguard the interests of the Scheduled Castes and Scheduled Tribes:—

"Subject to the substantive clauses in this regard, the Parties envision that all employees of the Company on the date hereof will continue in the employment of the Company.

The SP recognises that the Government in relation to its employment policies follows certain principles for the benefit of the members of the Scheduled Castes/Scheduled Tribes, physically handicapped persons and other socially disadvantaged categories of the society. The SP shall use its best efforts to cause the Company to provide adequate job opportunities for such persons. Further, in the event of any reduction in the strength of the employees of the Company, the SP shall use its best efforts to ensure that the physically handicapped persons, Scheduled Castes/Scheduled Tribes are retrenched at the end."

Disinvestment Policy

237. SHRI RAJKUMAR DHOOT: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have finalized disinvestment policy;

(b) if so, the details thereof; and

(c) if not, the reasons for the delay?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) The disinvestment policy has evolved over time. It is continuously reviewed and modified, as necessary, in the light of experience gained. Since 1999-2000, the Government has generally favoured sale to a strategic partner in view of the higher realisation on account of control premium paid by the strategic partner for acquiring a controlling stake. On 16th March, 1999, the Government classified industries into 'strategic and non-strategic'. The following industries have been identified as "Strategic" industries:—

(i) **Arms and ammunitions** and the allied items of defence equipment, defence air-crafts and warships;

(ii) **Atomic energy** (except in the areas related to the generation of nuclear power and applications of radiation and radio-isotopes to agriculture medicine and non-strategic industries);

(iii) **Railway transport** Government has also decided that IOC, ONGC and GAIL be treated as flagship companies in the oil sector where Government shareholding would not be reduced below 51%. All other non-stragetic Public Sector Enterprises can be disinvested.

Disinvestment of sick PSUs

238. SHRI R.P. GOENKA: Will the Minister of DISINVESTMENT be pleased to state:

(a) the number of enterprises in the public sector which have become sick;

(b) the employment in these enterprises;

(c) whether Government propose to wind up these enterprises or sell them at whatever price market can offer; and

(d) the manner in which the consequent unemployment is proposed to be tackled?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) There were 68 Central Public Sector Undertakings (CPSUs) registered with the Board for Industrial and Financial Reconstruction (BIFR) as on 31.10.2002.

(b) The total number of employees in CPSUs including sick enterprises were 1.74 million as on 31st March, 2001 as per Public Enterprises Survey 2000-2001.

(c) Out of the 68 Central PSUs, Ministry of Disinvestment had returned 4 cases namely, Bharat Brakes and Valves Ltd., Bharat Pumps and Compressors Ltd., RBL Ltd. and Praga Tools Ltd. to the Administrative Ministry as they were found to be unsaleable. Disinvestment in 9 PSUs